



CURRENT INDUSTRIAL REPORTS

Manufacturers' Shipments, Inventories, and Orders

June 1973



U. S. DEPARTMENT OF COMMERCE • Social and Economic Statistics Administration • BUREAU OF THE CENSUS

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SUMMARY

New orders for manufactured products in June increased \$250 million or 0.3 percent to \$74.79 billion from \$74.54 billion in May after seasonal adjustment. Shipments increased \$260 million or 0.4 percent to \$71.55 billion from \$71.28 billion in May. Unfilled orders increased \$3.24 billion or 3.3 percent to \$101.84 billion at the end of June. Manufacturers' inventories increased \$1.41 billion or 1.3 percent to \$113.04 billion at the end of June. The inventories to shipments ratio increased from 1.57 to 1.58.

For the 3 months ending in June the average month to month change in new orders increased 0.9 percent compared with a 1.8 percent increase for the 3 months ending in March and a 1.1 percent increase for the 3 months ending in December.

NEW ORDERS

New orders for durable goods increased \$55 million or 0.1 percent to \$42.50 billion in June. The June increase was led by increases in aircraft and parts (\$180 million) and shipbuilding and railroad equipment (\$155 million). These increases were partially offset by a decrease in fabricated metal products (\$185 million). Among the supplementary series, the capital goods industries increased \$420 million of which \$85 million was in the nondefense component and \$335 million was in the defense component.

SHIPMENTS

Shipments of durable goods decreased \$45 million or 0.1 percent to \$39.24 billion in June. A decrease in motor vehicles and parts (\$140 million) was partially offset by a \$95 million increase in primary metals industries. Shipments of nondurable goods increased \$305 million or 1.0

percent in June. An increase in the chemicals (\$240 million) led the overall increase in non-durables.

UNFILLED ORDERS

Unfilled orders of durable goods increased \$3.26 billion or 3.5 percent to \$97.14 billion at the end of June. This increase was general and was led by the primary metals industries (\$1.17 billion).

INVENTORIES

Inventories of durable and nondurable goods increased \$870 million and \$545 million respectively in June. At the all manufacturing level, materials and supplies increased \$630 million, work in process inventories increased \$335 million and finished goods inventories increased \$445 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for July is scheduled for release on August 21, 1973 and the full report is scheduled for release on August 30, 1973.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	June 1973 ^p	May 1973 ^r	Apr. 1973	June 1973 ^p	May 1973 ^r	June 1972	June 1973 ^p	May 1973 ^r	Apr. 1973	June 1973 ^p	May 1973 ^r	June 1972
All manufacturing industries:												
Total.....	71,545	71,284	70,468	76,232	72,591	65,260	113,039	111,625	110,577	113,203	112,604	104,496
Total, excluding transportation.....	61,354	60,967	60,363	65,024	61,440	56,112	96,167	94,991	93,973	96,684	96,020	89,294
Durable goods industries, total.	39,240	39,284	38,651	42,644	40,707	35,798	73,736	72,867	72,213	73,856	73,562	67,733
Stone, clay, and glass products.	2,067	2,096	2,029	2,264	2,182	1,976	2,607	2,524	2,477	2,651	2,606	2,419
Primary metals, total.....	5,806	5,710	5,471	6,422	6,195	5,074	9,379	9,425	9,425	9,284	9,395	9,579
Blast furnaces, steel mills.	2,766	2,704	2,595	3,134	3,034	2,447	4,825	4,940	4,925	4,719	4,895	5,239
Nonferrous metals.....	2,188	2,115	2,061	2,368	2,253	1,865	3,458	3,403	3,421	3,441	3,393	3,383
All other primary metals....	852	891	815	920	908	762	1,096	1,082	1,079	1,124	1,107	957
Fabricated metal products total.....	4,415	4,487	4,362	4,736	4,503	4,182	8,238	8,189	8,113	8,419	8,323	7,646
Metal cans, barrels, and drums.....	441	449	432	503	450	511	740	757	780	791	792	835
Machinery, except electrical, total.....	6,128	6,047	5,975	6,731	6,199	5,512	15,402	15,172	14,975	15,406	15,297	13,738
Engines and turbines.....	476	511	531	560	522	539	1,352	1,298	1,291	1,312	1,305	1,143
Farm machinery and equipment.	571	594	556	626	611	413	1,301	1,302	1,275	1,314	1,315	1,173
Construction, mining, and material handling equipment.	1,229	1,167	1,119	1,337	1,190	959	2,954	2,933	2,907	2,963	2,960	2,568
Metalworking machinery.....	317	325	316	357	332	321	1,292	1,243	1,227	1,285	1,250	1,083
General industrial machinery	506	524	515	561	531	509	1,335	1,300	1,289	1,350	1,326	1,195
Electrical machinery, total...	5,289	5,296	5,393	5,614	5,111	4,826	11,337	11,211	11,030	11,571	11,503	10,140
Electrical transmission and distribution equipment and industrial apparatus.....	981	975	991	1,063	1,013	953	2,460	2,404	2,371	2,477	2,442	2,150
Household appliances.....	683	663	677	745	675	624	1,145	1,148	1,136	1,176	1,188	1,055
Radio and TV.....	488	523	610	565	373	454	1,039	1,031	974	1,101	1,130	914
Communication equipment.....	1,145	1,178	1,134	1,223	1,163	1,144	3,166	3,113	3,082	3,198	3,163	2,875
Transportation equipment, total	10,191	10,317	10,105	11,208	11,151	9,148	16,872	16,634	16,604	16,519	16,584	15,202
Motor vehicles and parts....	6,253	6,395	6,254	7,176	7,006	5,909	4,933	4,799	4,732	4,647	4,742	4,148
Aircraft, missiles, and parts.....	2,923	2,903	2,798	2,881	3,002	2,230	9,287	9,250	9,384	9,263	9,288	8,958
Shipbuilding and railroad equipment.....	373	378	378	379	380	353	1,788	1,773	1,708	1,766	1,734	1,419
Instruments and related products, total.....	1,186	1,171	1,194	1,265	1,170	1,141	2,801	2,744	2,713	2,868	2,814	2,652
Scientific and engineering..	630	607	640	676	611	584	1,571	1,567	1,550	1,596	1,598	1,560
All other instruments and related products.....	556	564	554	589	559	557	1,230	1,177	1,163	1,272	1,216	1,092
All other durable goods industries.....	4,158	4,160	4,122	4,404	4,196	3,939	7,100	6,968	6,876	7,138	7,040	6,357
Nondurable goods industries, total.....	32,305	32,000	31,817	33,588	31,884	29,462	39,303	38,758	38,364	39,347	39,042	36,763
Food and kindred products, total.....	10,996	10,872	10,926	11,313	10,740	9,768	10,019	9,864	9,760	9,689	9,649	9,006
Meat products.....	2,680	2,648	2,637	2,699	2,672	2,370	1,043	992	964	1,055	1,021	871
Fats and oils.....	854	779	767	871	780	611	860	847	897	821	835	694
Tobacco products.....	505	520	499	545	526	515	2,350	2,352	2,333	2,247	2,319	2,059
Textile mill products.....	2,574	2,611	2,541	2,734	2,549	2,451	4,323	4,295	4,255	4,462	4,462	4,117
Paper and allied products, total.....	2,688	2,715	2,609	2,812	2,699	2,460	2,994	2,948	2,915	3,034	2,987	2,865
Pulp, paper, etc.....	1,124	1,156	1,119	1,163	1,146	995	1,039	1,030	1,021	1,048	1,037	1,087
Paperboard containers.....	710	730	697	746	742	673	886	859	858	894	868	838
All other paper containers..	854	829	793	903	811	792	1,069	1,059	1,036	1,092	1,082	940
Chemicals and allied products, total.....	5,628	5,387	5,409	5,999	5,784	5,027	7,028	7,036	6,998	7,049	7,078	6,885
Industrial chemicals, except pigments.....	1,632	1,586	1,547	1,725	1,651	1,465	1,962	1,977	1,959	1,931	1,953	1,974
Drugs, soap, and toiletries.	1,576	1,515	1,501	1,581	1,398	1,452	2,273	2,275	2,240	2,351	2,330	2,136
Petroleum and coal products...	2,913	2,819	2,745	2,983	2,781	2,505	2,384	2,321	2,345	2,352	2,297	2,293
Rubber and plastics products, n.e.c.....	1,688	1,663	1,698	1,807	1,716	1,666	2,487	2,457	2,389	2,480	2,468	2,300
All other nondurable goods industries.....	5,313	5,413	5,390	5,395	5,089	5,070	7,718	7,485	7,369	8,034	7,782	7,238

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	June 1973 ^P	May 1973 ^R	Apr. 1973	June 1973 ^P	May 1973 ^R	June 1972	June 1973 ^P	May 1973 ^R	Apr. 1973	June 1973 ^P	May 1973 ^R	June 1972
All manufacturing industries:												
Total.....	74,786	74,535	73,325	77,926	74,318	66,839	101,839	98,602	95,354	100,461	98,772	77,883
Total, excluding transportation.....	63,724	63,796	62,822	66,293	63,240	56,742	72,941	70,577	67,750	72,351	71,086	53,964
Durable goods industries, total.	42,503	42,449	41,341	44,411	42,341	37,377	97,143	93,882	90,719	95,712	93,950	74,268
Primary metals, total.....	6,977	7,042	6,656	6,601	6,734	5,082	13,124	11,954	10,623	12,666	12,486	6,532
Blast furnaces, steel mills.	3,778	3,729	3,604	3,249	3,393	2,513	9,036	8,025	7,000	8,630	8,514	3,932
Nonferrous metals.....	2,234	2,316	2,147	2,330	2,322	1,808	2,552	2,506	2,305	2,491	2,529	1,707
Fabricated metal products.....	4,674	4,861	4,488	4,988	4,849	4,266	12,282	12,024	11,650	12,308	12,056	10,150
Machinery, except electrical, total.....	6,602	6,544	6,411	7,129	6,600	5,744	17,839	17,365	16,866	17,834	17,437	13,033
Engines and turbines.....	622	507	566	676	499	721	4,983	4,837	4,841	4,974	4,857	3,895
Construction, mining, and material handling equipment.	1,291	1,266	1,173	1,414	1,288	984	3,364	3,301	3,202	3,421	3,344	2,565
Metalworking machinery.....	375	403	411	416	406	336	1,634	1,576	1,498	1,616	1,557	830
General industrial machinery.	543	626	591	563	613	481	1,828	1,792	1,690	1,817	1,815	1,258
Electrical machinery, total...	5,655	5,696	5,710	5,982	5,392	4,999	17,931	17,566	17,166	17,654	17,287	14,454
Electrical transmission and distribution equipment and industrial apparatus.....	1,066	1,051	1,093	1,174	1,089	994	4,795	4,711	4,637	4,825	4,714	3,840
Household appliances.....	692	651	680	744	660	624	135	126	138	127	129	118
Radio and TV.....	506	479	564	634	362	551	609	592	635	660	591	671
Communication equipment.....	1,258	1,340	1,088	1,240	1,121	1,094	6,397	6,283	6,121	6,009	5,992	5,678
Transportation equipment, total.....	11,062	10,739	10,503	11,633	11,078	10,097	28,898	28,025	27,604	28,110	27,686	23,919
Aircraft, missiles, and parts.....	3,250	3,068	2,678	3,015	2,852	3,334	18,991	18,663	18,497	18,472	18,339	16,678
Shipbuilding and railroad equipment.....	602	449	855	529	350	279	5,961	5,731	5,660	5,911	5,761	4,741
All other durable goods industries.....	7,533	7,567	7,573	8,078	7,688	7,189	7,069	6,948	6,810	7,140	6,998	6,180
Nondurable goods industries, total.....	32,283	32,086	31,984	33,515	31,977	29,462	4,696	4,720	4,635	4,749	4,822	3,615
Industries with unfilled orders.....	8,129	8,417	8,301	8,386	8,292	7,670	4,696	4,720	4,635	4,749	4,822	3,615
Industries without unfilled orders.....	24,154	23,669	23,683	25,129	23,685	21,792	-	-	-	-	-	-

- Represents zero. ^PPreliminary. ^RRevised.¹Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	June 1973 ^D	May 1973 ^r	Apr. 1973	June 1973 ^D	May 1973 ^r	June 1972	June 1973 ^D	May 1973 ^r	Apr. 1973	June 1973 ^D	May 1973 ^r	June 1972
	Shipments						Total inventories					
All manufacturing industries, total..	71,545	71,284	70,468	76,232	72,591	65,260	113,039	111,625	110,577	113,203	112,604	104,496
Durable goods industries, total.....	39,240	39,284	38,651	42,644	40,707	35,798	73,736	72,867	72,213	73,856	73,562	67,733
Nondurable goods industries, total.....	32,305	32,000	31,817	33,588	31,884	29,462	39,303	38,758	38,364	39,347	39,042	36,763
Industry groups arranged by market categories:												
Home goods and apparel.....	6,655	6,682	6,761	6,960	6,185	6,123	12,633	12,426	12,299	13,155	13,023	11,832
Consumer staples.....	13,622	13,570	13,559	13,965	13,327	12,442	15,027	14,849	14,613	14,717	14,676	13,708
Equipment and defense products, except automotive.....	10,325	10,192	10,025	10,963	10,403	9,115	28,688	28,338	28,237	28,732	28,577	26,091
Automotive equipment.....	7,421	7,560	7,482	8,532	8,313	7,111	6,634	6,432	6,323	6,315	6,390	5,563
Construction materials, supplies, and intermediate products.....	6,039	6,079	5,939	6,629	6,304	5,733	9,376	9,235	9,044	9,460	9,347	8,528
Other materials and supplies and intermediate products.....	27,483	27,201	26,702	29,183	28,059	24,736	40,681	40,345	40,061	40,824	40,591	38,774
Supplementary series: ²												
Household durable goods industries.....	2,946	2,993	3,011	3,120	2,847	2,685	5,937	5,870	5,758	6,102	6,103	5,460
Capital goods industries.....	11,957	11,844	11,695	12,664	12,041	10,708	32,526	32,101	31,931	32,601	32,363	29,493
Nondefense.....	10,359	10,098	10,055	10,968	10,317	9,164	27,066	26,717	26,547	27,151	26,977	24,665
Defense.....	1,598	1,746	1,640	1,696	1,724	1,544	5,460	5,384	5,384	5,450	5,386	4,828
	New orders						Unfilled orders					
All manufacturing industries, total..	74,786	74,535	73,325	77,926	74,318	66,839	101,839	98,602	95,354	100,461	98,772	77,883
Durable goods industries, total.....	42,503	42,449	41,341	44,411	42,341	37,377	97,143	93,882	90,719	95,712	93,950	74,268
Nondurable goods industries, total.....	32,283	32,086	31,984	33,515	31,977	29,462	4,696	4,720	4,635	4,749	4,822	3,615
Industry groups arranged by market categories:												
Home goods and apparel.....	6,706	6,695	6,858	7,051	6,250	6,238	2,715	2,668	2,663	2,716	2,638	2,434
Consumer staples.....	13,623	13,561	13,565	13,954	13,316	12,426						
Equipment and defense products, except automotive.....	11,194	11,097	10,903	11,540	10,685	10,391	50,351	49,165	48,076	49,365	48,648	40,407
Automotive equipment.....	7,736	7,746	7,523	8,673	8,420	7,030						
Construction materials, supplies, and intermediate products.....	6,249	6,423	6,017	6,852	6,610	5,830	11,467	11,258	10,915	11,568	11,345	9,726
Other materials and supplies and intermediate products.....	29,278	29,013	28,459	29,856	29,037	24,924	37,306	35,511	33,700	36,812	36,141	25,316
Supplementary series: ²												
Household durable goods industries.....	3,003	3,007	3,077	3,222	2,895	2,804	2,181	2,127	2,112	2,172	2,072	1,939
Capital goods industries.....	13,186	12,768	12,571	13,508	12,252	12,076	55,911	54,679	53,755	55,035	54,192	45,821
Nondefense.....	11,002	10,919	10,619	11,594	10,913	9,526	34,972	34,329	33,509	34,973	34,348	27,033
Defense.....	2,184	1,849	1,952	1,914	1,339	2,550	20,939	20,350	20,246	20,062	19,844	18,788

*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. P Preliminary. R Revised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.
Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Office Products (old series) categories.
Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.
Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1967-1972	
	May-June 1973	Apr.-May 1973	Mar.-Apr. 1973	3 months			12 months	Average rise	Average decline
				Mar.-June 1973	Dec. 1972-Mar. 1973	Sept.-Dec. 1972			
Shipments:									
All manufacturing industries.....	+0.4	+1.2	+1.1	+0.9	+1.3	+1.4	+1.3	+1.3	-1.2
Durable goods industries, total.....	-0.1	+1.6	+1.5	+1.0	+1.3	+1.3	+1.5	+1.9	-1.6
Nondurable goods industries, total.....	+1.0	+0.6	+0.5	+0.7	+1.3	+1.4	+1.1	+0.9	-0.7
Total inventories:									
All manufacturing industries.....	+1.3	+0.9	+0.4	+0.9	+0.7	+0.5	+0.7	+0.5	-0.1
New orders:									
All manufacturing industries.....	+0.3	+1.7	+0.7	+0.9	+1.8	+1.1	+1.3	+1.8	-1.5
Durable goods industries, total.....	+0.1	+2.7	+0.8	+1.2	+2.3	+0.9	+1.6	+2.8	-2.4
Nondurable goods industries, total.....	+0.6	+0.3	+0.6	+0.5	+1.3	+1.4	+1.1	+1.0	-0.6
Unfilled orders:									
Durable goods industries, total.....	+3.5	+3.5	+3.1	+3.4	+2.4	+1.3	+2.2	+1.0	-1.1

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	June 1973 ^P	May 1973 ^r	Apr. 1973	June 1973 ^P	May 1973 ^r	June 1972	June 1973 ^P	May 1973 ^r	Apr. 1973	June 1973 ^P	May 1973 ^r	June 1972
	Total						Materials and supplies					
All manufacturing industries, total..	113,039	111,625	110,577	113,203	112,604	104,496	36,490	35,858	35,418	36,278	35,626	32,364
Durable goods industries, total.....	73,736	72,867	72,213	73,856	73,562	67,733	21,465	21,198	20,887	21,377	21,001	18,814
Stone, clay, and glass products.....	2,607	2,524	2,477	2,651	2,606	2,419	870	853	831	869	852	791
Primary metals.....	9,379	9,425	9,425	9,284	9,395	9,579	3,371	3,348	3,328	3,297	3,206	3,269
Machinery (electrical and nonelectrical).	26,739	26,383	26,005	26,977	26,800	23,878	7,239	7,157	7,017	7,293	7,196	6,114
Transportation equipment.....	16,872	16,634	16,604	16,519	16,584	15,202	3,284	3,195	3,139	3,139	3,174	2,914
All other durable goods industries.....	18,139	17,901	17,702	18,425	18,177	16,655	6,701	6,645	6,572	6,779	6,573	5,726
Nondurable goods industries, total.....	39,303	38,758	38,364	39,347	39,042	36,763	15,025	14,660	14,531	14,901	14,625	13,550
Chemicals and allied products.....	7,028	7,036	6,998	7,049	7,078	6,885	2,574	2,507	2,456	2,573	2,499	2,371
Petroleum and coal products.....	2,384	2,321	2,345	2,352	2,297	2,293	501	511	516	509	512	520
Rubber and plastics products, n.e.c.....	2,487	2,457	2,389	2,480	2,468	2,300	803	753	725	803	745	686
All other nondurable goods industries....	27,404	26,944	26,632	27,466	27,199	25,285	11,147	10,889	10,834	11,016	10,869	9,973
	Work in process						Finished goods					
All manufacturing industries, total..	39,788	39,452	39,207	39,637	39,700	36,074	36,761	36,315	35,952	37,288	37,278	36,058
Durable goods industries, total.....	33,631	33,318	33,114	33,427	33,477	30,301	18,640	18,351	18,212	19,052	19,084	18,618
Stone, clay, and glass products.....	357	347	332	365	361	331	1,380	1,324	1,314	1,417	1,393	1,297
Primary metals.....	3,464	3,544	3,509	3,423	3,556	3,402	2,544	2,533	2,588	2,564	2,633	2,908
Machinery (electrical and nonelectrical).	12,146	11,964	11,801	12,133	12,061	10,633	7,354	7,262	7,187	7,551	7,543	7,131
Transportation equipment.....	12,130	11,999	12,064	11,930	11,966	10,732	1,458	1,440	1,401	1,450	1,444	1,556
All other durable goods industries.....	5,534	5,464	5,408	5,576	5,533	5,203	5,904	5,792	5,722	6,070	6,071	5,726
Nondurable goods industries, total.....	6,157	6,134	6,093	6,210	6,223	5,773	18,121	17,964	17,740	18,236	18,194	17,440
Chemicals and allied products.....	1,101	1,107	1,104	1,110	1,121	1,022	3,353	3,422	3,438	3,366	3,458	3,492
Petroleum and coal products.....	541	530	542	553	537	510	1,342	1,280	1,287	1,290	1,248	1,263
Rubber and plastics products, n.e.c.....	388	391	381	385	387	363	1,296	1,313	1,283	1,292	1,336	1,251
All other nondurable goods industries....	4,127	4,106	4,066	4,162	4,178	3,878	12,130	11,949	11,732	12,288	12,152	11,434

^PPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP

(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	June 1973 ^P	May 1973 ^R	Apr. 1973	June 1972	June 1973 ^P	May 1973 ^R	Apr. 1973	June 1972
All manufacturing industries, total.....	1.58	1.57	1.57	1.70	2.40	2.32	2.28	2.18
Durable goods industries, total.....	1.88	1.85	1.87	2.05	2.84	2.75	2.70	2.62
Stone, clay, and glass products.....	1.26	1.20	1.22	1.32	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.62	1.65	1.72	2.11	2.26	2.09	1.94	1.47
Fabricated metals.....	1.87	1.83	1.86	1.91	3.09	2.98	2.96	2.93
Machinery, except electrical.....	2.51	2.51	2.51	2.74	2.91	2.87	2.82	2.60
Electrical machinery.....	2.14	2.12	2.05	2.19	3.39	3.32	3.18	3.25
Transportation equipment.....	1.66	1.61	1.64	1.85	4.91	4.75	4.81	5.13
Instruments and related products.....	2.36	2.34	2.27	2.42	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.22	1.21	1.21	1.30	0.58	0.57	0.57	0.48
Food and kindred products.....	0.91	0.91	0.89	0.98	(X)	(X)	(X)	(X)
Tobacco products.....	4.65	4.52	4.68	4.51	(X)	(X)	(X)	(X)
Textile mill products.....	1.68	1.64	1.67	1.73	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.11	1.09	1.12	1.21	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.25	1.31	1.29	1.45	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.82	0.82	0.85	0.96	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.47	1.48	1.41	1.48	(X)	(X)	(X)	(X)

(NA) Not available. P Preliminary. R Revised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this



definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.